



# ENERGY ASSURANCE DAILY

Friday, October 27, 2006

## ***Electricity***

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### **Update: Over 110,000 Customers Lost Power in Colorado October 25**

Xcel Energy says they have repaired power to nearly all of the 90,000 people left without power after Wednesday's snow storm. Colorado Springs Utilities reports only about 200 customers still without power down from 20,000 yesterday. [http://www.9news.com/acm\\_news.aspx?OSGNAME=KUSA&IKOBJECTID=89b83003-0abe-421a-0036-2c8aefbf6549&TEMPLATEID=0c76dce6-ac1f-02d8-0047-c589c01ca7bf](http://www.9news.com/acm_news.aspx?OSGNAME=KUSA&IKOBJECTID=89b83003-0abe-421a-0036-2c8aefbf6549&TEMPLATEID=0c76dce6-ac1f-02d8-0047-c589c01ca7bf)  
<http://www.gazette.com/display.php?id=1325815>

### **Progress Energy's 710 MW Nuke Unit 2 in South Carolina Began to Ramp Up October 27**

Reuters, 08:57 October 27, 2006

### **OPG's 490 MW Nanticoke 2 Coal-fired Unit 2 in Ontario Shut October 26**

Reuters, 07:57 October 27, 2006

## ***Petroleum***

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### **Coalition Naval Forces in the Persian Gulf Shift Forces to Counter Possible Maritime Threat to Saudi Arabia – Saudi's Step up Defensive Measures**

On October 27, Saudi Arabia said it was taking measures to protect its oil and economic installations from a "terrorist threat." The British Navy, as part of an Italian-lead task force, sent an e-mail warning today which asked merchant shippers in the region of Bahrain and eastern Saudi Arabia to be on alert for suspicious vessels or activities. The British Navy is focusing efforts on the approaches to the Ras Tanura terminal. The terminal, the world's largest was reported to be operating normally. At present, the coalition is confining operations to international waters; it has not been requested by Saudi Arabia to venture into Saudi waters. An e-mail from the U.S. 5<sup>th</sup> Fleet in Bahrain indicated that it agreed with the operation and indicated that such operations are not new.

[http://news.yahoo.com/s/ap/20061027/ap\\_on\\_re\\_mi\\_ea/gulf\\_oil\\_terror\\_3](http://news.yahoo.com/s/ap/20061027/ap_on_re_mi_ea/gulf_oil_terror_3)

[http://news.yahoo.com/s/nm/20061027/ts\\_nm/energy\\_saudi\\_threat\\_dc\\_1](http://news.yahoo.com/s/nm/20061027/ts_nm/energy_saudi_threat_dc_1)

[http://news.yahoo.com/s/ap/20061027/ap\\_on\\_bi\\_ge/oil\\_prices\\_57](http://news.yahoo.com/s/ap/20061027/ap_on_bi_ge/oil_prices_57)

Reuters, 09:49 October 27, 2006

[http://today.reuters.com/news/articleinvesting.aspx?type=hotStocksNews&storyID=2006-10-27T134926Z\\_01\\_SP269416\\_RTRUKOC\\_0\\_US-MARKETS-OIL.xml&WTmodLoc=Home-C3-Investing1-hotStocksNews-5](http://today.reuters.com/news/articleinvesting.aspx?type=hotStocksNews&storyID=2006-10-27T134926Z_01_SP269416_RTRUKOC_0_US-MARKETS-OIL.xml&WTmodLoc=Home-C3-Investing1-hotStocksNews-5)

Bloomberg News, 11:57 October 27, 2006

### **Shell Leading Group to Develop Deep Gulf of Mexico Fields**

On October 26, Shell Offshore Inc. announced that it will begin development of three fields in the ultra deep waters of the Gulf of Mexico. The hub facility, a moored spar in the Alaminos Canyon area, will gather, process, and export production within a 30-mile radius. It will operate in 8,000 feet of water and is expected to come on line in 2011. It will be capable of pumping 200 MMcf/d of natural gas and 100,000 b/d of oil.

<http://intelligencepress.com/>

### **Update: Militants Agree to Vacate Shell Oil Facilities in Nigeria**

Militants who seized three Shell oil platforms in the Niger Delta have agreed to leave the facilities and to allow operations to resume. Despite the agreement with the militants, the protesters were reported to still be in place late on October 26.

[http://biz.yahoo.com/ap/061026/apfn\\_nigeria\\_oil\\_unrest.html?v=1](http://biz.yahoo.com/ap/061026/apfn_nigeria_oil_unrest.html?v=1)

### **Update: Statoil Restarts 200,000 b/d North Sea Fields**

Norwegian state oil company Statoil was allowed to restart production from the Snorre A and the 85,000 b/d Vigdis fields in the North Sea. Statoil was required to halt production on October until the lifeboat systems were upgraded. While work continues on the safety systems, capacity increased to the point where officials allowed production to resume.

<http://www.platts.com/Oil/News/9504636.xml?p=Oil/News&sub=Oil>

### **Several Factors Converging to Ease Oil Sands Cost Pressures**

Suncor Energy's CEO attributes an easing of the cost pressures at its oils sands production site in Canada to a number of factors including: a slowdown in North American housing construction and delays in other industrial projects that are freeing up more labor, a drop in steel prices, and greater availability of concrete. Consequently, Suncor believes that the worst period is over and that cost pressure should moderate in the future. of the assets, two Suncor executives flatly rejected the notion.

<http://www.platts.com/Oil/News/6308841.xml?p=Oil/News&sub=Oil>

## ***Natural Gas***

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### **FERC Issues Order October 25 Instituting Inquiries into Gas-Electric Coordinating Issues**

FERC wants to provide "ISOs and RTOs with forums in which to examine whether scheduling and compensation mechanisms need to be revised to ensure that gas-fired generators can obtain gas when the gas-fired generation is necessary for reliability and that they are compensated appropriately when volatility in gas prices creates difficulty in recovering gas costs." RTOs and ISOs must file by January 16, 2007 to propose changes or to explain why none are needed

<http://www.ferc.gov/whats-new/comm-meet/101906/E-4.pdf>

Reuters, 11:55 October 27, 2006

### **National Energy Board of Canada Sees Increase in Natural Gas Production from Unconventional Sources in the Next Three Years – Report**

[http://pro.energycentral.com/professional/news/gas/news\\_article.cfm?id=7330493](http://pro.energycentral.com/professional/news/gas/news_article.cfm?id=7330493)

### **Falling Price of Natural Gas in Rockies Leads Cabot to Shut-In Wells**

Cabot Oil & Gas announced the because of falling prices for natural gas in the Rocky Mountains that it and its partners were shutting in about six million cf/d of production.

<http://intelligencepress.com/>

## ***Other News***

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Nothing to report.

## Energy Prices

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U.S. Oil and Gas Prices October 27, 2006			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	60.80	57.10	61.09
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	7.41	6.77	13.90

Source: Reuters

## Energy Notes

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### Truck Accident Causes 10,000 to Lose Power in Butler County, Ohio October 27

<http://www.whiotv.com/news/10172874/detail.html?rss=day&psp=news>

## Links

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### *This Week in Petroleum* from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

### *Weekly Petroleum Status Report* from EIA

[http://www.eia.doe.gov/oil\\_gas/petroleum/data\\_publications/weekly\\_petroleum\\_status\\_report/wpsr.html](http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html)

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

### *Natural Gas Weekly Update* from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

## ENERGY ASSURANCE DAILY

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*Energy Assurance Daily* provides a summary of public information concerning current energy issues. Published Monday through Friday to inform stakeholders of developments affecting energy systems, flows, and markets, it provides highlights of energy issues rather than a comprehensive coverage. *Energy Assurance Daily* is updated online Monday through Friday after 5:00 p.m. EST. For more information, visit the Infrastructure Security and Energy Restoration (ISER) website at:

<http://www.oe.netl.doe.gov/index.aspx>.

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